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## Cross-Currents In Danubian Europe

BY HELEN FISHER

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# Cross-Currents In Danubian Europe

BY HELEN FISHER

*with the aid of the Research Staff of the Foreign Policy Association*

THE efforts of Germany and Italy to replace French and British influence in the Danubian basin and adjoining territories have brought that area into the center of world attention. On the outcome of the struggle now going on in Southeastern Europe between the centripetal force of Danubian cooperation, with Franco-British encouragement, and the centrifugal pull of the new fascist *Drang nach Osten* may depend the future peace of Europe and the world.

Ever since the World War, vain attempts have been made to weld some or all of the ten states of this area<sup>1</sup> into some sort of "Danubian Confederation." This move, theoretically so natural and beneficial, has encountered two principal obstacles, one economic and the other political. The universal post-war tendency to seek self-sufficiency within even the smallest economic units has prevented the realization of any far-reaching scheme of economic cooperation. The division of Europe into victorious *status quo* powers and defeated revisionist states, plus the tendency of the great powers to impose their own rivalries and dissensions on the smaller states of Central Europe, has checkmated attempts at both political and economic union. As a result, the Danubian area has remained in a state of almost continual effervescence.

## THE TWO ENTENTES

Between 1919 and 1934 only one stable, permanent grouping emerged in Central Europe—the Little Entente, composed of Czechoslovakia, Yugoslavia and Rumania. These states came together in 1921 with a single aim—to maintain the *status quo* established by the peace treaties.<sup>2</sup> To this end they

1. As treated in this report, the area includes the ten states of Central and Southeast Europe, from Poland on the north through the Balkan Peninsula to Turkey on the south, containing altogether about 878,000 square miles of territory and 130,000,000 people.

2. For background of the Little Entente, cf. Felix John Vondracek, *The Foreign Policy of Czechoslovakia, 1918-1935* (New York, Columbia University Press, 1937), pp. 162-73, 197-204.

concluded bilateral treaties providing military guarantees against aggression by Hungary or Bulgaria, and collaborated in resisting all threats to the existing order. They were particularly active in preventing economic collapse in Austria, which might have led to foreign intervention, and in opposing attempts to restore the Hapsburgs in Hungary. In 1929, 1930 and 1933 their loose collaboration was formalized in a series of treaties which established a Permanent Council and a concerted foreign policy based on the principles of the League of Nations, the Pact of Paris, the General Act of Arbitration of 1924, the Disarmament Conference and the Locarno treaties. Each state obligated itself not to make outside political agreements without the previous consent of the other members. The treaties also extended the bilateral assistance pacts indefinitely, provided for increased economic collaboration, and instituted a mutual system of conciliation and arbitration. The organization was still based primarily on preservation of the *status quo*, and the military commitments of its members were not increased beyond existing obligations.

Outside Central Europe the Little Entente found its chief support in France, which was also vitally interested in maintaining the order of the peace treaties. French sponsorship of the group, however, has been limited chiefly to moral encouragement and a certain amount of financial assistance. Its only definite commitment is the mutual aid treaty with Czechoslovakia, negotiated in 1925 as an adjunct to the Locarno pacts.<sup>3</sup> With Rumania and Yugoslavia it has merely pacts of non-aggression and consultation.

The formal constitution of the Balkan Entente by Rumania, Yugoslavia, Greece and Turkey in February 1934, after years of conferences and propaganda, extended the fundamental ideas of

3. The treaty provides for reciprocal assistance in case of attack by any Locarno power (in practice Germany) even if the League Council fails to reach a unanimous decision on measures to be taken against the aggressor.

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the Little Entente throughout most of the Balkan area.<sup>4</sup> Its pact of organization resembles in many ways that of the Little Entente, and is also designed to maintain the *status quo*. Its scope is, however, seriously restricted by the non-membership of two Balkan nations, Bulgaria and Albania. Bulgaria refused to join the Entente because it would not abandon all hope of settling outstanding minority questions and revising the Treaty of Neuilly. Albania was never invited to join, on account of its subservience to Italy, which saw in the new bloc a threat to its supremacy in the Adriatic. Consequently, the far-reaching military guarantees at first envisaged were whittled down to a simple guarantee of assistance against an unprovoked attack on any of its members' Balkan frontiers by another Balkan state.<sup>5</sup>

#### HITLER AND THE ROME PROTOCOLS

The advent of Adolf Hitler in Germany opened a new chapter in Central European history. Among the chief objectives of Hitler's foreign policy were the bringing of all German minorities abroad under the sway of the Third Reich, and the revival of the old *Drang nach Osten*,<sup>6</sup> both of which could be achieved only by an intensification of German activity in Central and Southeastern Europe. The new drive assumed two distinct aspects: first, an attempt to bring the internal government of the various states under German influence, either directly, as in the case of Austria, or indirectly through the encouragement of indigenous fascist movements; second, a determined effort to split up the existing international blocs (the Little and Balkan Ententes), and attract their members separately into making bilateral arrangements with the German government, or at least adopting a policy of independent "neutrality."

Such a plan endangered not only the small states of Danubian Europe but also Italy. Hitler's undisguised ambition to achieve *Anschluss* represented a direct threat to the existence of Austria, Italy's protégé, and even to Italy itself, which did

not welcome the thought of German guns on the Brenner Pass. The *Führer's* claims to the German minority in Czechoslovakia also foreshadowed a possible enlargement of German territory which might endanger Italy's position.

The Rome protocols, signed on March 17, 1934 by Italy, Austria and Hungary, constituted Italy's first concrete reaction to these dangers and to the new Balkan pact. The protocols provided for consultation on political matters of common interest, and for broad economic cooperation. Italy granted preferential tariffs to its smaller partners, and special treatment for Hungarian wheat was guaranteed by both Italy and Austria. Since 1934 Italy has regularly increased its share of both Austrian and Hungarian exports,<sup>7</sup> although trade between Austria and Hungary has declined.<sup>8</sup>

After the assassination of Chancellor Dollfuss in the *putsch* attempted by the Austrian Nazis in 1934, Italy mobilized on the Brenner Pass and prevented Germany from stepping in to take control at Vienna.<sup>9</sup> Throughout the next year or so Mussolini continued to assume the rôle of Austria's protector. At the beginning of 1935 he even prepared to co-operate with France and Britain in sponsoring a Danubian conference with the object of guaranteeing Austrian independence and increasing economic cooperation as a bulwark against German influence.<sup>10</sup> By the end of that year, however, he was so preoccupied with the conquest of Ethiopia and the accompanying struggle in the Mediterranean that his fear of Germany as a potential neighbor yielded gradually to his need of German support in the Ethiopian venture. After the League condemnation of Italy as an aggressor, and the imposition of sanctions, he turned to Germany for aid. At the same time Hitler, seeking to counter-balance the Franco-Soviet treaty and avoid isolation in Europe,<sup>11</sup> drew closer to the Fascist government. The Austro-German accord of July 11, 1936 was

7. From Austria, Italy took 11.2 per cent in 1933, 15 per cent in 1936; from Hungary, 8.7 per cent in 1933, 13 per cent in 1936.

8. In 1933 Hungary furnished 11.7 per cent of Austria's imports, and took 9.2 per cent of its exports; in 1936 the percentages were 7.6 and 8.4. Austria furnished 19.9 per cent of Hungary's imports in 1933 and took 27.1 per cent of its exports; in 1936 the figures were 16.7 and 17.1.

9. Cf. Wertheimer, "Aims of Hitler's Foreign Policy," cited, pp. 75-78, and "Austria Establishes a Fascist State," *Foreign Policy Reports*, September 25, 1935.

10. Such a conference was provided for by the Franco-Italian Rome accords of January 1935. Cf. Vera Micheles Dean, "Europe's Struggle for Security," *Foreign Policy Reports*, June 19, 1935. It was never held.

11. Cf. Vera Micheles Dean, "Origins of the Locarno Crisis," *Foreign Policy Reports*, June 15, 1936.

4. Cf. Robert J. Kerner and H. N. Howard, *The Balkan Conferences and the Balkan Entente* (Berkeley, University of California Press, 1936); Léon Savadjian, *Encyclopédie balkanique permanente* (Paris, Société Générale d'Imprimerie et d'Édition, 1936), vol. 1; Vera Micheles Dean, "Toward a New Balance of Power in Europe," *Foreign Policy Reports*, May 9, 1934.

5. Since the four members all have non-aggression treaties among themselves the Entente is in practice directed against Bulgaria and Albania.

6. Cf. Mildred S. Wertheimer, "The Foreign Policy of the Third Reich," *Foreign Policy Reports*, March 28, 1934, and "Aims of Hitler's Foreign Policy," *ibid.*, June 5, 1933; F. Elwyn Jones, *Hitler's Drive to the East* (New York, E. P. Dutton, 1937).

the first concrete result of this rapprochement.<sup>12</sup> By Germany's explicit recognition of Austrian sovereignty and independence, Italy was relieved of the fear of an immediate *Anschluss*. Hitler, on the other hand, freed himself of the threat of another Italian mobilization on the Brenner by his pledge not to interfere in Austria's internal affairs. At the same time Austria promised to regard itself as a "Germanic state," to appoint cabinet ministers connected with pan-German parties, and to facilitate tourist, economic and cultural exchanges between the two countries.

The immediate recrudescence of Nazi propaganda in Austria<sup>13</sup> indicated that Hitler interpreted the new accord as *carte blanche* for the continuation of such activity. German propagandists, deprived temporarily of the goal of direct union with Austria, concentrated on encouraging the illegal Austrian National-Socialist party and carrying on an intermittent press war with the Austrian newspapers.<sup>14</sup>

#### ITALO-GERMAN COOPERATION

By the fall of 1936 cooperation between Germany and Italy had progressed so far that a definite accord was signed at Berchtesgaden on October 25.<sup>15</sup> It provided for cooperation in foreign policy, and for joint defense of European civilization against the "grave dangers" of communism. The two governments recognized the territorial integrity of Spain, and agreed that General Franco "commands the support of a majority of the Spanish people."<sup>16</sup> German recognition of the Ethiopian empire was rewarded by commercial concessions in the new colony. Of particular interest to Central Europe were the two countries' determination to restrict any new Locarno Pact to Western Europe alone, and the first explicit acceptance by Italy of German cooperation in the Danubian area, within the framework of the Rome protocols and the Austro-German accord of July 11.

12. For text of communiqué, cf. *New York Times*, July 12, 1936.

13. Less than a fortnight after the conclusion of the accord, a vociferous Nazi demonstration, organized at the passage of the Olympic torch through Vienna, caused the arrest and sentencing of 130 Austrian Hitlerites. *New York Times*, July 31, August 4, 1936.

14. One of the most violent of these campaigns broke out early in 1937, immediately after the two countries had, after eight months' delay, concluded the cultural agreement provided for in the July 11 accord. *Le Temps* (Paris), April 15, 1937.

15. *New York Times*, October 26, 1936.

16. For Italo-German action in the Spanish crisis, cf. Vera Michéls Dean, "European Diplomacy in the Spanish Crisis," *Foreign Policy Reports*, December 1, 1936; Charles A. Thomson, "Spain: Civil War," *ibid.*, January 15, 1937.

The Berchtesgaden accord formed part of a series of circumstances which had profoundly altered the situation in Southeastern Europe. The declining prestige of the League of Nations, the success of Germany's unilateral revision of the peace treaties, the apparent weakness of France and Britain in the face of provocation from the fascist powers in Ethiopia and Spain, and the weakened military position of France resulting from German rearmament, all combined to force the small Danubian states to reconsider their traditional policies. The two Ententes, based on faith in the League of Nations and French friendship, saw the League powerless before fascist aggression, and the value of military aid from France considerably lessened by the remilitarization of the Rhineland and the growing power of the German armed forces. Austria and Hungary, on the other hand, began to believe that their protector, Italy, was inclined to use them merely as pawns on the European chessboard and abandon them to Germany if such a move became necessary for Italian policy. Consequently, the political alignments in Central and Southeast Europe tended to dissolve and change as the situation became more and more fluid.

Torn between the natural desire to retain existing friendships and the advantages of compromising with the growing power of the fascist countries before they were overwhelmed by it, the Danubian states chose varying ways out of the dilemma. Czechoslovakia took the first decisive step by signing a mutual aid treaty with Soviet Russia on May 19, 1935, a fortnight after the similar agreement between France and the U.S.S.R.<sup>17</sup> Yugoslavia and Rumania, the other members of the Little Entente, had consented in advance to both the preliminary negotiations and the final Czech-Soviet treaty,<sup>18</sup> but were not willing to commit themselves as fully as Czechoslovakia. Yugoslavia, despite a marked pro-Russian feeling among its peasantry and workers, has never formally established diplomatic relations with the U.S.S.R., a fact which may be partially explained by the influence of White Russians in the upper

17. Cf. Dean, "Europe's Struggle for Security," cited; Jaroslav Papoušek, *Czechoslovakia, Soviet Russia and Germany* (Prague, Orbis, 1936). The treaty provides for cooperation in carrying out League sanctions against a possible aggressor, and for immediate assistance even in cases where the League Council fails to agree on measures to be taken. It is identical with the Franco-Soviet treaty of May 2, 1935, except for a clause by which aid is given by either party only "in so far as assistance may be rendered by France to the Party victim of the aggression." Both treaties are open to adherence by other powers.

18. Kamil Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, Czechoslovak Sources and Documents, No. 20 (Prague, Orbis, May 1937), p. 28.



circles of the Yugoslav government. Rumania recognized the Soviet government in 1934, but has not yet been able to reach a satisfactory settlement of the Bessarabian question, the chief point of difference between the two countries.

Italy in the past two years has paralleled its increasing cooperation with Germany by serious efforts to strengthen its diplomatic and military position in the Adriatic and Danube regions, aiming at more effective opposition both to the British challenge in the Mediterranean<sup>19</sup> and the German *Drang nach Osten* along the Danube. In March 1936 it concluded a new series of treaties and financial agreements with Albania, which confirmed the latter's dependence on its Adriatic neighbor.<sup>20</sup> The two countries were already linked by a far-reaching defensive alliance concluded in 1927, but a series of popular revolts menacing the control of King Zog I had threatened to weaken Italian influence in Albania, whose strategic position gives it command of the Adriatic.<sup>21</sup> The new treaties, providing for Italian-financed construction of railroads, harbor improvements and highways of military value, and for long-term, non-interest-bearing loans designed to strengthen Albania's tottering finances, restored Italian hegemony, re-emphasized by Count Ciano's visit to Tirana in April 1937.<sup>22</sup>

#### THE ITALO-YUGOSLAV TREATY

In March 1937 Italy further strengthened its strategic position in the Adriatic and its chances of resistance to German penetration by negotiating a five-year treaty of non-aggression and neutrality with Yugoslavia.<sup>23</sup> Both countries agreed not to attack each other, to remain neutral in case of unprovoked attack by a third power, and to consult on matters affecting their common interests. Italy made substantial commercial concessions, extending to Yugoslavia the tariff preferences hitherto reserved for Austria and Hungary under the Rome protocols, and doubling the Yugoslav export quota. It also promised to ameliorate the lot of the

Croat-Slovene minority in Italian Istria, and to refrain in future from encouraging the Croat terrorists who formerly found haven on Italian soil. In return, Yugoslavia recognized the Ethiopian empire, made a reciprocal pledge to prevent anti-Italian activities within its borders, agreed to increase imports of Italian goods and promised to respect the present frontiers of Albania, where Italian influence has long presented a serious threat to Yugoslav security. It is too early as yet to appraise the ultimate consequences of this treaty. At present, its chief benefit is the removal of a long-standing source of friction and ill will in Southeastern Europe.<sup>24</sup> The balance of advantage seems to be somewhat in favor of Italy, which is relieved of the danger of an attack on its low-lying Adriatic shoreline, more difficult to protect than the rocky promontories of the Dalmatian coast. Italy also gains by the fact that Yugoslavia, which lost a large proportion of its foreign trade by accepting the imposition of sanctions in 1935 as a loyal member of the League of Nations, has deviated from League policy to the extent of recognizing Italy's sovereignty in Ethiopia, and failed to include in the treaty the customary specific reference to registration at Geneva. That the agreement has been construed by many observers as an opening wedge in the break-up of the Little Entente<sup>25</sup> may also be considered as a triumph for Mussolini. Only time can show the extent to which Yugoslavia will benefit by the new commercial arrangements or by Italy's promise to aid the Istrian minority and restrain the Croat terrorists.<sup>26</sup>

For Yugoslavia, the Italian treaty is part of a general rapprochement with all its neighbors, initiated in January 1937 by the conclusion of the Yugoslav-Bulgarian treaty. This agreement, whose single article pledges "perpetual peace and friendship" between the two Slav states, marks the end of a long series of stormy clashes, including three wars, over the Macedonian question.<sup>27</sup> That it denotes a real change in Yugoslav-Bulgarian relations is indicated by the enthusiasm with which it was received in both countries and symbolized by

19. Cf. David H. Popper, "Strategy and Diplomacy in the Mediterranean," *Foreign Policy Reports*, June 1, 1937.

20. *Journal des Nations* (Geneva), June 26, 1936. It should be noted that ratification of the treaties coincided with Italy's celebration of the fall of Addis Ababa. Cf. also Eugene Staley, "Italy's Financial Stake in Albania," *Foreign Policy Reports*, June 8, 1932; Mabel Satterlee Ingalls, "The Balkans in the World Crisis," *ibid.*, December 6, 1933.

21. Cf. *L'Europe Nouvelle* (Paris), July 11, 1936. Another revolt—the fourth in ten years—was put down in May 1937. *New York Times*, May 17-20, 1937.

22. *Le Temps*, April 29, 1937; *Great Britain and the East* (London), May 6, 1937.

23. *Journal des Nations*, March 31, 1937 (text); *Great Britain and the East*, April 1, 1937.

24. For background of Italo-Yugoslav tension, cf. Dean, "Europe's Struggle for Security," cited.

25. Cf., e.g., "The Central European Situation after the Italo-Yugoslav Agreement," *Danubian Review* (Budapest), April 1937.

26. Cf. "Is Yugoslavia producing a Sensation?" *Great Britain and the East*, April 22, 1937; "Italy, Yugoslavia and the Danube Basin," *Bulletin of International News* (London, Royal Institute of International Affairs, April 17, 1937); *Yugoslaven-ski Lloyd* (Zagreb), April 2, 1937.

27. For an excellent review of Yugoslav-Bulgarian relations, cf. *Prager Presse* (Prague), January 26, 1937; cf. also *Great Britain and the East*, February 4, 1937; *The Times* (London), January 25, 1937; *New York Times*, February 1, 1937.

the removal of the barbed-wire barricades which have long prevented peaceful intercourse across the frontier.<sup>28</sup>

Mussolini is following up his success in Yugoslavia by tentative conversations with other Balkan powers—notably Greece and Turkey—aiming at a possible new bloc in the Eastern Mediterranean.<sup>29</sup> He is also attempting to revive the Italo-Rumanian friendship treaty, which was allowed to lapse in 1934, although opposition by France and Czechoslovakia has so far prevented the conclusion of any definite agreement.<sup>30</sup>

#### AUSTRIA RESISTS GERMAN PRESSURE

Meanwhile Germany, working toward the dissolution of the Little Entente and the realignment of the Balkan countries, has directed its activities chiefly against Austria and Czechoslovakia—more through propaganda and undercover agitation than through diplomatic conversations and the conclusion of new agreements.<sup>31</sup> In Austria it no longer has to contend as before with Italian opposition to Nazification, and has been able to intensify Nazi propaganda, which Austria, intent on maintaining its independence, is making every effort to resist. Immediately after the Berchtesgaden accord of October 1936 Chancellor Schuschnigg, who had just assured his own internal position by abolishing the Italian-supported *Heimwehr*, the last legal political group outside his own Fatherland Front,<sup>32</sup> made a speech in which he attacked Nazism as "Public Enemy No. 2," and promised to suppress it in Austria.<sup>33</sup> In February 1937 he officially revived the possibility of eventually restoring the Hapsburg monarchy,<sup>34</sup> for which Austria had already made legal provision in 1935.<sup>35</sup> Restoration has come to be considered in some quarters, particularly in France, as the only method of checking the fascist advance in Austria.<sup>36</sup> That it is also so regarded in Germany may be inferred from that country's unceasing propaganda against it.<sup>37</sup> Italy,

which formerly favored the return of the Hapsburgs,<sup>38</sup> has now abandoned this possible trump card against German penetration of Austria. On February 25, 1937 it dramatically associated itself with the German position through an article in the *Giornale d'Italia* in which Virginio Gayda, known as the government's mouthpiece, declared restoration to be inopportune and dangerous to European peace.<sup>39</sup> In a subsequent article Gayda further stated that Italy has so many imperial interests that it cannot be limited to defending the Brenner.<sup>40</sup> Schuschnigg, who had also been warned against restoration by the German Foreign Minister, Baron von Neurath, during the latter's February visit to Vienna,<sup>41</sup> explained later that he did not contemplate any immediate return of the Hapsburgs, since the present government was still considered adequate, but was merely restating the right of independent Austria to decide its own form of government.<sup>42</sup>

Chancellor Schuschnigg met Mussolini in Venice on April 23-24, 1937, and learned definitely that he could no longer count on Italian support against the Nazis.<sup>43</sup> He rejected emphatically, however, the interpretation of the Venice interview given out by the official Stefani agency and the *Giornale d'Italia*, which stated that he had promised to take Nazi officials into his government and otherwise facilitate a rapprochement with the Austrian National Socialist party, and reiterated instead his continued determination to maintain Austria's independence.<sup>44</sup>

#### THE NAZI DRIVE IN CZECHOSLOVAKIA

In Czechoslovakia German propaganda operates principally through the German minority, which numbers almost a quarter of the state's popula-

28. Cf. *Bulletin of International News*, April 17, 1937, p. 8; *Le Temps*, April 18, 1937.

29. Cf. Popper, "Strategy and Diplomacy in the Mediterranean," cited; Jean Gounaud, "Les hommes d'état turcs à Belgrade," *Europe Centrale* (Prague), May 1, 1937.

30. *Le Temps*, April 27, 1937; *Christian Science Monitor*, May 3, 1937.

31. Cf., e.g., Jones, *Hitler's Drive to the East*, cited.

32. *New York Times*, October 11, 1936.

33. *Ibid.*, November 29, 1936. In deference to the new Italo-German anti-communist front, he listed communism as Public Enemy No. 1.

34. *The Times*, *Le Temps*, February 15, 1937.

35. By repealing the Hapsburg Exclusion Act of 1919. Cf. Wertheimer, "Austria Establishes a Fascist State," cited, p. 188.

36. Cf. e.g., *Journal des Débats* (Paris), February 24, 1937.

37. Cf., e.g., "Friedenstörender Legitimus," *Münchener Neueste Nachrichten* (Munich), February 12, 1937.

38. Cf. C. A. Macartney, *Hungary* (London, Ernest Benn Limited, 1934), p. 299; A. Mousset, "Illusions sur la politique danubienne de l'Italie fasciste," *Journal des Nations*, May 1, 1937.

39. *Giornale d'Italia* (Rome), February 25, 1937; *Le Temps*, February 27; *Journal des Nations*, March 4; cf. also article by Gayda in *Relazioni Internazionali*, in which he claims that Italy's prompt action forestalled an imminent monarchist putsch (*Prager Presse*, March 9, 1937).

40. *Giornale d'Italia*, March 1, 1937.

41. *New York Times*, February 22, 23, 1937.

42. *Le Temps*, April 16, 1937.

43. *Le Temps*, *Journal des Nations*, April 24, 25, 1937; Rudolf Procházka, "Nezávislost malých rovnováha velkých" (Independence for the small, equality for the great), *Lidové Noviny* (Brno), April 30, 1937.

44. *Lidové Noviny*, *Neuigkeitswelblatt* (Vienna), *Le Temps*, April 26, 1937. The Stefani communiqué was subsequently disowned by the Italian government.

tion.<sup>45</sup> Although many of the minority Germans belong to the democratic forces in Czechoslovakia, and are represented in the governing coalition, a large group has become highly vocal under the leadership of Konrad Henlein and his *Sudetendeutsche* party. This group demands a vague "völkische" autonomy for the country's three million Germans, and a corporative form of government.<sup>46</sup> The party itself is organized along Nazi lines and based on the *Führer* principle. Succeeding the dissolved Czech National-Socialist party, it emerged from its first electoral campaign in May 1935 as the largest single party in the state, representing two-thirds of the German minority.<sup>47</sup> This success was the high-water mark of the movement. The solidarity of the government coalition and the determination of President Beneš and Prime Minister Krofta to achieve a successful solution of the minorities problem have gradually whittled down the party's strength, despite generous support from Germany.<sup>48</sup> Internal dissension has further weakened the group,<sup>49</sup> which lost

heavily in the municipal elections of October 1936. A serious blow was dealt to the Henlein movement in February 1937 when the government, partly as the result of British pressure, concluded a far-reaching agreement<sup>50</sup> with the three German parties represented in the governing coalition.<sup>51</sup> The sweeping nature of the government's concessions, which satisfied most of the minority's grievances by means of a purely democratic negotiation, cut the ground from under the extremists. Although they refused to accept the agreement<sup>52</sup> and have inaugurated a new policy of violent obstructionism, it seems at present that Henlein's followers are gradually losing ground. Indications of the strengthening of democracy in the country contribute to this result. The government stated on April 10, 1937 that it need no longer ask for integral prolongation of the emergency Enabling Act of 1933, adopted originally for the purpose of combating the depression, but later utilized also for checking political conflict.<sup>53</sup> The presentation to Parliament of a new consolidated civil law code, eliminating the legal conflicts which have existed since the liquidation of the Austro-Hungarian Empire,<sup>54</sup> and the various steps taken toward the settlement of the country's minorities problems<sup>55</sup> are also evidence of this tendency. The extremist position has been further weakened by the rapid economic recovery taking place in the country—particularly striking in the industrialized

of Brno. Cf. Stanislav Brandejs, "La crise du parti allemand des Sudètes," *Europe Centrale*, August 8, 14, 1936; *Prager Presse*, October 7, 1936; *New York Times*, June 7, 1936.

45. For the German minority problem in general, cf. Wertheimer, "Aims of Hitler's Foreign Policy," cited; Hubert Beuve-Méry, "Le Problème intérieur," *Le Temps*, January 28, 1937; "The German Minority in Czechoslovakia," *Bulletin of International News*, March 6, 1937; W. Jaksch, "The Position of the Sudeten Germans in Czechoslovakia," *Labour* (London), February 1937; J. E. Williams, *Czechoslovak Democracy* (New York, Listy Publishing Co., March 1937); Josef Chmelář, *The German Problem in Czechoslovakia* (Prague, Orbis, 1936); Kamil Krofta, *Das Deutschtum in der tschechoslovakischen Geschichte* (ibid., 1936); Němci v československé republice o sobě (The Germans in Czechoslovakia speak for themselves) (ibid., 1937).

46. For the party's theories and demands, cf. *Die Satzungen der "Sudetendeutsche Partei"* (Karlsbad, Verlag Karl H. Frank, 1934); Konrad Henlein spricht (ibid., 1935); Karl H. Frank, *Sudetendeutsche Politik* (ibid., 1935); Walter Brand, *Die geistigen Grundlagen unserer Bewegung* (ibid., 1935); Dieter Bleibtreu, *Besitzstand und Gefahrenlage des Sudetendeutschtums* (ibid., 1935); Karl Janovsky, *Neuzeitliches Wirtschaftsdenken* (ibid., 1936); *Sudetendeutschtum im Kampf, Ein Bericht von Arbeit und Not* (ibid., 1936). For the party's latest legislative proposals, cf. Zdeněk Smetáček, "Po neděli," *Lidové Noviny*, May 3, 1937; Dominique Chevallet, "Les projets de loi de M. Konrad Henlein," *Europe Centrale*, May 8, 1937.

47. Cf. Wertheimer, "Aims of Hitler's Foreign Policy," cited.

48. Cf. e.g., the pamphlet series entitled *Der Deutsche im Auslande*, published by the Verlag von Julius Beltz, Berlin-Leipzig; *Schlesien, die Brücke zum Osten* (Berlin, Edwin Runge Verlag, 1935); Jones, *Hitler's Drive to the East*, cited.

49. Henlein is a disciple of Othmar Spann, Viennese economist whose theories of the corporate state were once honored as the foundation of Hitlerist economics, though his later activities have discredited him at Berlin. Cf. Andrée Emery, "The Totalitarian Economics of Othmar Spann," *Journal of Social Philosophy*, April 1936. Henlein himself has always insisted on the creation of a corporative state within the territorial framework of the present Czechoslovakia; many of his adherents, however, are extreme irredentists and demand complete separation of the German minority. Recently the struggle has reached such a point that strong dissident committees have been formed in several Henlein strongholds, such as the city

50. *Agreement between the Czechoslovak Government and the Germans concerning Minority Policy* (mimeographed), circulated by Czechoslovak Consulate-General, New York City, 1937. For the universally favorable comment of the Czech press, cf. *Prager Presse*, February 20, 1937.

51. Known as "activists," in contrast to the "negativist" attitude of the Henleinites, who refuse to cooperate with the government. All German parties were in opposition up to 1926, when the German Social Democratic and Christian Social parties joined the government coalition. The Christian Socialists again went into opposition in 1929, but returned in July 1936. The German Agrarian party joined the coalition in 1929.

52. Cf. *Prager Presse*, February 23, 1937; *The Times*, March 1, 1937.

53. *L'Europe Nouvelle*, January 20, 1934; *Prager Presse*, April 11, 1937.

54. *Prager Presse*, April 2, 1937; N. Bystrický, "L'unification du droit privé en Tchécoslovaquie," *Europe Centrale*, May 29, 1937.

55. Negotiations with the Magyar and Jewish minorities are being carried on the same basis as those with the Germans. Cf. Premier Hodža's statement, *Prager Presse*, March 14, 1937; *Lidové Noviny*, February 20, 1937; *New York Times*, May 18, 1937. The long-delayed autonomy promised to Subcarpathian Ruthenia in 1919 at the signing of the peace treaties is going into effect during 1937. *Prager Presse*, March 4, 14, 20, April 11, 1937; cf. also Kamil Krofta, "Subcarpathian Ruthenia and the Czechoslovak Republic," *Slavonic Review*, 1936.



German districts, which have suffered most from the depression.<sup>56</sup>

In the attempt to detach Rumania and Yugoslavia from the Little Entente, and to keep Poland from coming to terms with Czechoslovakia, the Nazis have carried on an extensive press campaign based on the alleged "Sovietization" of Czechoslovakia. German papers, joined by many in Poland and Hungary, have depicted Czechoslovakia as honeycombed by Soviet military roads, dotted with Soviet aerodromes, and completely under the sway of Soviet officials.<sup>57</sup> They have repeatedly attacked the agreement between Czechoslovak and Soviet air lines—an informal exchange of notes arranging the details of an experimental commercial air line between Moscow and Prague—as a "treaty" opening Czech aerodromes to Russian military planes.<sup>58</sup> Although the Czechoslovak government offered to permit unescorted visits by foreign attachés to any of the aerodromes alleged to be under Soviet control,<sup>59</sup> and numerous unofficial investigations have completely cleared Czechoslovakia of these allegations,<sup>60</sup> the campaign still continues. A sympathetic diplomatic history of Soviet Russia and the Little Entente, published in June 1936 by a Czech diplomat, is another current pretext for virulent propaganda.<sup>61</sup>

#### NAZI PROPAGANDA ELSEWHERE

The German Nazis have also made efforts to win control for fascist groups in other Central European states. Hungary, once a staunch friend of Germany but lately disillusioned by Nazi treatment of the Catholics<sup>62</sup> and by Germany's failure

to espouse Hungarian revisionism,<sup>63</sup> averted a serious threat early in 1937 by taking prompt action when opposition leaders, notably Dr. Tibor Eckhardt, revealed the existence of a well-organized plan for a Nazi *putsch*.<sup>64</sup> Recent speeches by both government and opposition spokesmen, and the appointment of a strong Minister of the Interior, indicate that the government of Premier Darányi is determined to take a strong line in dealing with extremist movements, avoiding the dictatorial tendencies of the late Julius Gömbös.<sup>65</sup> The rapid economic recovery now taking place in Hungary facilitates this course.<sup>66</sup> Nevertheless, friendship with Germany is still an important factor in Hungarian policy, as was indicated by the friendly reception accorded the German Foreign Minister, Baron von Neurath, in June 1937.<sup>67</sup>

Recent revelations in Yugoslavia indicate that German propaganda there has operated through a so-called "Technical Union," supposed to finance German trade with Yugoslavia but actually supporting the fascist party headed by Liotitch.<sup>68</sup> German influence in Belgrade, once comparatively strong, is steadily declining, especially since the conclusion of the Italo-Yugoslav treaty. Early in 1937 a determined stand by the Yugoslav government, which threatened to cut off all export licenses to Germany until the abnormal clearing balance of more than 400 million dinars owed to Yugoslav exporters by Germany was reduced, obliged Germany to accept a new clearing agreement on much less favorable terms than the previous accord.<sup>69</sup> The visit of Baron von Neurath to Belgrade early in June 1937 apparently did little to alter German-Yugoslav relations.<sup>70</sup>

In Rumania the fascist forces work through the group of fascist, anti-Semitic political parties

56. Jan Hron, "Vývoj nezaměstnanosti podle národnosti v letech 1935 a 1936" (Evolution of unemployment according to nationalities in 1935 and 1936), *Národnostní Obzor* (Prague), March 1937; "Rascher Rückgang der Arbeitslosigkeit in der Grenzbezirke Böhmens," *Prager Presse*, May 16, 1937.

57. Space limitations make an adequate documentation impossible, but cf., e.g., Papoušek, *Czechoslovakia, Soviet Russia and Germany*, cited; Fritz Rössler, *Das Gesicht der Tschecoslowakei—Die Tschecoslowakei als Vorposten des Weltbolshewismus* (Fürstenwalde-Spree, Germany, Verlag für Militärgeschichte und Deutsches Schrifttum).

58. Cf., e.g., Tibor Eckhardt, "Soviet Russia and the Danube Valley," *Danubian Review*, March 1937.

59. *Prager Presse*, January 23, 1937.

60. E.g., *ibid.*, January 28, 1937. Goebbels, German Minister of Propaganda, tacitly admitted the untruth of many of the German charges in a speech at Hamburg on February 6. *Lidové Noviny*, February 7, 1937.

61. Jan Šeba, *Rusko a malá dohoda v světové politice* (Prague, Melanrich, 1936). Cf. illuminating review by Louis Eisenmann, *Politique Etrangère* (Paris, Centre d'Etudes de Politique Etrangère, April 1937). For examples of the propaganda, cf. "Ein Diplomat enthüllt," *Münchener Neueste Nachrichten*, February 13, 1937; *Völkischer Beobachter* (Berlin), February 11, 12, 1937; *Foreign Bulletin* (Polish Institute of Cooperation with the Countries Abroad) (Warsaw), November 1, 1936.

62. Cf., e.g., "Chronique du mois," *Nouvelle Revue de Hongrie* (Budapest), May 1937, p. 469; "Ungarn und Oesterreich," *Prager Presse*, May 14, 1937.

63. "Eine ungarisch-deutsche Vertrauenskrise," *Prager Presse*, December 29, 1936; *New York Times*, November 18, 1936.

64. *Prager Presse*, March 7, 1937; *Le Temps*, March 8, 1937; *Journal des Nations*, March 9, 1937; Raoul Chéland, "A propos des récents événements de Hongrie," *Europe Centrale*, March 13, 1937.

65. Cf. *Budapesti Kurir* (review of Hungarian press, Budapest), April 11-13, 1937; *Le Temps*, April 12, 1937; "Dossier de la Hongrie," *Journal des Nations*, May 5, 1937.

66. Cf. Alexandre Sipo, "1936—Année de la reprise économique en Hongrie," *Nouvelle Revue de Hongrie*, April 1937.

67. *New York Times*, June 13, 1937.

68. *Prager Presse*, March 1, 1937; *Great Britain and the East*, April 1, 1937.

69. *Der Oesterreichische Volkswirt* (Vienna), April 10, 1937; *The Times*, March 15, 1937.

70. *New York Times*, June 9, 10, 1937.



headed by the Iron Guard.<sup>71</sup> This terrorist, paramilitary organization, reconstituted as the "All for the Fatherland" movement after its official dissolution in 1933 following the murder of the Liberal Premier Ion Duca,<sup>72</sup> has benefited by an extraordinary amount of administrative tolerance during the past few years. In the summer of 1936 it scored an indirect triumph when Nicholas Titulescu, the liberal Minister of Foreign Affairs, was dropped from the Cabinet.<sup>73</sup> Titulescu's successor, Victor Antonescu, declared himself in sympathy with Titulescu's policies—friendship with France and the Little Entente and better relations with the Soviet Union—but gradually drifted toward a policy of independent "neutrality" such as that advocated by Germany and Poland. This move marked the apogee of fascist strength. In February 1937 the Iron Guard organized a demonstration at the funeral of two of its members who had been killed fighting with the insurgent forces in Spain. The German and Italian ministers were among those who took part in the procession. The government, under pressure of popular indignation, demanded explanations from the two fascist powers. Although Premier Tatarescu had declared in Parliament that the foreign diplomats' action constituted a flagrant intervention in internal affairs, he was eventually obliged to accept the explanation of Germany and Italy that their ministers had acted in a purely personal capacity.<sup>74</sup> The incident, however, spurred the government, with the backing of King Carol, to take strong action against the extremists. The cabinet was revamped, excluding ministers who had been lenient to the fascist movement;<sup>75</sup> the universities were closed pending reorganization, and eight Iron Guardists, on trial for a 1936 political murder, received unusually severe sentences.<sup>76</sup> When the Iron Guard took up the cause of Prince Nicholas of Rumania—banished from the royal family in the spring of 1937, ostensibly because he refused to renounce his commoner

wife—further strong measures against the extremists were announced.<sup>77</sup>

In Bulgaria the fascist party—led by Alexander Tsankov, who has been in frequent personal contact with Nazi officials—was strong enough in July 1936 to place two of its members in a non-party cabinet, but by October the two ministers were obliged to resign, and the brief hopes of a fascist seizure of power evaporated.<sup>78</sup> "Cultural" propaganda, directed by the Germano-Bulgar Association, and economic control are now the principal channels of Nazi penetration.<sup>79</sup> That German influence is still strong in Bulgaria, which gave more than half of its foreign trade to Germany in 1936,<sup>80</sup> was indicated by the cordial reception given to Baron von Neurath on his visit to Sofia in June 1937.<sup>81</sup>

While its northern neighbors were gradually stiffening in their resistance to fascist pressure, Greece was turning more and more to Germany. German influence has increased since Premier Metaxas' coup of August 1936,<sup>82</sup> which placed in power a dictator who loses no opportunity to express his admiration for Nazi forms of government. Concrete evidence of the Nazis' success in Athens is afforded by the Greek government's agreement to use its frozen credits in Germany for rearmament,<sup>83</sup> and the country's economic dependence on trade with Germany.<sup>84</sup>

#### INDEPENDENT POLAND

Poland, aware that its geographical position makes it an almost inevitable battleground in any European conflict, has been determined to maintain a "soundly egoistic" course in European politics, balancing between the different currents as an independent "bastion of peace" between East and West.<sup>85</sup> This course has led it to alternate between cooperation with the Danubian powers—in whose fortunes it has a natural political and economic in-

71. Rumanian Front (Vaida-Voevod), National-Christian party (Goga, Cuza), "All for the Fatherland" (Cantacuzino, Codreanu), National Corporatist League (Manoilescu). Cf. International Reference Library, *Politics and Political Parties in Roumania* (London, 1936); Jones, *Hitler's Drive to the East*, cited.

72. Cf. Dean, "Toward a New Balance of Power in Europe," cited.

73. *New York Times*, August 30, 1936; Albert Mousset, "La Roumanie à la croisée des chemins," *L'Europe Nouvelle*, September 5, 1936; Pertinax, "Nicholas Titulescu," *ibid.*, September 12, 1936.

74. For a review of the entire incident, cf. *Journal des Nations*, *Prager Presse*, March 10, 1937.

75. *Journal des Nations*, February 24, 1937; *L'Europe Nouvelle*, April 10, 1937; *Le Temps*, April 8, 1937.

76. *New York Times*, April 28, 1937.

77. *Prager Presse*, April 9, 1937.

78. *New York Times*, July 5, December 18, 1936; *Prager Presse*, July 26, 1936; *The Times*, October 23, 24, 1936.

79. Cf. *Journal des Nations*, May 9-10, 1937; John C. deWilde, "German Trade Drive in Southeastern Europe," *Foreign Policy Reports*, November 15, 1936.

80. *The Economist* (London), May 29, 1937.

81. *New York Times*, June 11-13, 1937.

82. Cf. Nicholas S. Kaltchas, "Post-War Politics in Greece," *Foreign Policy Reports*, September 1, 1936; *Great Britain and the East*, May 6, 1937.

83. *Great Britain and the East*, January 21, 1937; *New York Times*, January 18, 1937; Jones, *Hitler's Drive to the East*, cited.

84. Cf. deWilde, "German Trade Drive in Southeastern Europe," cited; *Great Britain and the East*, March 18, 1937.

85. Cf. Adolphe Bochenski, "Coup d'oeil sur la politique extérieure polonaise," *Nouvelle Revue de Hongrie*, March 1937.

terest—and uncompromising refusal to collaborate with them.<sup>86</sup> Similar contradictions exist in other departments of its foreign policy. The existence of numerous friendship treaties<sup>87</sup> has not guaranteed uninterruptedly peaceful relations. The 1934 treaty with Germany paralleled estrangement with France; but when France, at the end of 1936, initiated a series of official visits which resulted in the granting of an important loan and a definite rapprochement,<sup>88</sup> Germany began again to find fault with Poland's treatment of German minorities. The latter question has unleashed another press campaign, which is exacerbated by the fact that the Polish-German treaty of 1922 regulating the treatment of minorities in Polish Upper Silesia expires in July 1937 and will not be renewed.<sup>89</sup>

Poland has ostentatiously revived its friendship with Rumania during the past year. The original alliance between these two states in 1921 was directed solely against a possible attack on their eastern frontiers by Soviet Russia. The replacement treaties of 1926 and 1931, however, carried a reciprocal guarantee of the "territorial integrity and political independence" of each state.<sup>90</sup> Polish officials, alarmed at reports that Rumania might negotiate a mutual aid treaty with Soviet Russia, are now seeking to interpret the alliance so as to draw Rumania away from the League<sup>91</sup> and the Ententes.<sup>92</sup> Rumania, however, has not yet been willing to renounce its present connections.<sup>93</sup>

Although in close relations with one member of the Little Entente—Rumania—Poland is on unfriendly terms with another—Czechoslovakia. The

history of relations between these two states has been chequered.<sup>94</sup> At the peace conference they were at odds over frontier questions, but in 1921 signed a treaty of non-aggression and neutrality which pledged them to mutual cooperation. The treaty was never ratified by Poland, and a new epoch of embittered relations ensued, until the definitive settlement of the Teschen frontier in 1924. This was followed by the conclusion of an arbitration treaty in 1925 and a period of fairly good relations. In 1934 a new period of tension set in. The Czechoslovak-Soviet treaty of 1935 was interpreted in Warsaw as a direct threat to Poland, and the Polish press joined with that of Germany and Hungary in attacking "Sovietized" Czechoslovakia.<sup>95</sup> A further pretext for the violent campaign, which still continues despite numerous conciliatory moves by Czech leaders and pressure from France and Britain, is found in the alleged mistreatment<sup>96</sup> of the small Polish minority in Teschen.<sup>97</sup>

#### FERMENT IN CENTRAL EUROPE

Reaction to attacks on the unity of the various international groups in Southeastern Europe has taken two forms: first, an increase in cooperation within each group; and second, tentative approaches to a new cooperation between the groups.

Bilateral agreements and rapprochements such as those described above are not in conflict with the pacts of organization of the Balkan Entente, the Little Entente, or the Rome protocols, provided they are accepted beforehand by the other states concerned, and the leaders of the three groups have taken special pains to point this out on every possible occasion in recent months. They have, moreover, emphasized the peaceful value of removing centers of tension by such rapprochements.<sup>98</sup>

Nevertheless, these agreements are symptomatic

86. Cf. Vondracek, *The Foreign Policy of Czechoslovakia, 1918-1935*, cited, pp. 199-200.

87. Poland has alliances with Rumania (1921) and France (1925), and non-aggression treaties with the U.S.S.R. (1932) and Germany (1934).

88. Cf. *Dziennik Ustaw* (Warsaw, official gazette), January 14, 1937.

89. *Prager Presse*, April 18, 1937; *Der Oesterreichische Volkswirt*, May 15, 1937; *Journal des Nations*, May 26, 1937; *New York Times*, June 16, 21, 1937.

90. Nevertheless, one still encounters frequent faulty references indicating that the treaty is regarded by many as restricted to the eastern frontiers. Cf., e.g., statements of Rumanian leaders to *Echo de Bucharest*, quoted by *Echo de Varsovie* (Warsaw), April 28, 1937.

91. Cf. Colonel Beck's statement on the uselessness of the League in present-day politics ("Nachspiel zu Bukarest," *Prager Presse*, May 6, 1937).

92. *Le Temps*, April 24-26, 1937; *Lidové Noviny*, April 29, 1937. Cf. also J. F. Kövér, "La Roumanie et l'Europe Orientale," *Nouvelle Revue de Hongrie*, May 1937.

93. Cf. statements by Foreign Minister Antonescu, *Indépendance Roumaine* (Bucharest), May 5, 1937, and *Lidové Noviny*, May 20, 1937; Leon Thévenin, "Sur le voyage de M. Beck à Bucarest," *Le Temps*, May 6, 1937; Victor Samaret, "La visite de M. Beck à Bucarest," *Europe Centrale*, May 1, 1937; Jean Gounaud, "La Roumanie est fidèle à ses alliances," *ibid.*, May 29, 1937.

94. Cf. Vondracek, *The Foreign Policy of Czechoslovakia, 1918-1935*, cited, pp. 148-62, 180, 418.

95. Cf. Wacław Lypacewicz, *Polish-Czech Relations* (Warsaw, Polish Institute for Collaboration with Foreign Countries, 1936).

96. For discussion of these allegations, cf. Victor L. Tapié, *Le pays de Teschen et les rapports entre la Pologne et la Tchécoslovaquie*, Brochures de la Section d'Information, No. III (Paris, Centre d'Etudes de Politique Etrangère, 1936); Joseph Chmelař, *La Minorité polonaise en Tchécoslovaquie* (Prague, Orbis, 1935); *National Minorities in Central Europe* (*ibid.*, 1937).

97. For striking examples of such propaganda, cf. special articles in *Prager Presse*, February 20, March 20, 1937. There are about 81,000 Poles among Czechoslovakia's 15,000,000 people.

98. Cf., e.g., the communiqués of the Little Entente Permanent Council at Bratislava, Belgrade and Bucharest (*Prager Presse*, September 15, 1936; April 4, 1937; *New York Times*, June 18, 1937); and that of the Balkan Entente at Athens in February 1937 (*New York Times*, February 16, 1937); Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, cited.

of a European trend away from collective treaties toward bilateral pacts, and have been interpreted by some observers as a definite weakening of the Ententes. All three groups—the Little and Balkan Ententes and the Rome protocol countries—have become aware of the disruptive possibilities of their members' tendency to seek outside alliances, and have consequently worked to bind them closer together. There has been a great increase in economic cooperation, partly through the Economic Councils and partly through new bilateral treaties,<sup>99</sup> and recent months have witnessed a flood of diplomatic visits aimed at increasing the good will between various countries. In the Little Entente, Czechoslovakia and Rumania have carried on a particularly active exchange of courtesies, culminating in Prague's enthusiastic reception of King Carol of Rumania at the end of October 1936 and of Premier Tatarescu in March 1937.<sup>100</sup> In the course of these conversations, Rumania received an important armament loan from its Czechoslovak ally. In a similar series of talks, Yugoslavia and Rumania arranged for the construction of the first bridge to span the Danube between the two countries,<sup>101</sup> and concluded an agreement to exchange Yugoslav copper and Rumanian oil for military purposes.<sup>102</sup> President Beneš of Czechoslovakia visited Belgrade in April 1937 and received an enthusiastic welcome from the Yugoslav people, who also seized the occasion to demonstrate against the newly concluded Italo-Yugoslav treaty.<sup>103</sup>

Britain and France have also encouraged closer collaboration within the Little Entente. France offered in 1936 to negotiate a mutual aid treaty with the three states if they would first extend their own mutual commitments to cover all possible cases of attack (i.e., by Germany).<sup>104</sup> The uncertainty of the European situation and the fluid character of contemporary political alignments caused the three states, and particularly Rumania and Yugoslavia, to postpone a definite reply to this offer. The two great powers have also attempted to strengthen the

Little Entente in the economic sphere, by new commercial treaties and other measures.

In the Rome protocol group, Italy is making strenuous efforts to hold the good will of Hungary. At the end of May, the Italian royal couple went to Budapest for their first visit abroad in many years.<sup>105</sup> Austria and Hungary have also renewed their friendship, especially during the Budapest visit of President Miklas of Austria, accompanied by Chancellor Schuschnigg and Foreign Minister Guido Schmidt, in May 1937.<sup>106</sup> On the third side of the Rome triangle, that between Italy and Austria, the collaboration of Rome and Berlin has caused increasing coolness.

The members of the three Danubian treaty groups have not limited their activities to increased internal cooperation, but have also drawn closer to other countries. Yugoslavia is expected to cap its political rapprochement with Bulgaria by a customs union in the near future.<sup>107</sup> Czechoslovakia has negotiated new commercial arrangements with Bulgaria, which in the past has been almost completely dependent on German trade.<sup>107a</sup> Rumania is renewing its friendship with Poland. A number of minor events such as the Italo-Czechoslovak air navigation treaty and Czechoslovak-German transport agreements have served to reduce tension at many critical points.<sup>108</sup> The most interesting development, however, is the new rapprochement, sponsored by Britain and France, between the Little Entente and Austria and Hungary. Czechoslovakia has long advocated closer relations between these two groups,<sup>109</sup> but it was not until the Italian defection forced Austria to look elsewhere for aid that any progress was achieved in this direction. Czechoslovakia and Hungary were the most obvious quarters from which Austria might expect assistance. The three states once formed a natural economic unit in the Austro-Hungarian Empire and, although all three have since made great strides toward self-sufficiency, might once more profitably join in exchanging the products of their complementary economies.<sup>110</sup> Politically, all three are threatened by German expansionist desires. In recent months both Austria and Hungary have been sounding out the possibili-

99. Cf. Miloslav Niederle (chairman of the Little Entente Economic Council), "Le bilan de la IXe session du Conseil économique de la Petite Entente," *Europe Centrale*, March 6, 13, 1937; Gerhard Schacher, "Le relèvement économique de l'Europe centrale," *ibid.*, February 27, March 20, 1937.

100. *Prager Presse*, October 27-November 2, 1936, March 21, 1937.

101. At Turnu Severin. *Prager Presse*, November 22, 1936.

102. *New York Times*, September 13, 1936.

103. *Le Temps*, April 7-8, 1937; Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, cited. Popular disapproval is increased by the fact that Italy's renunciation of the Croat terrorists has permitted the Yugoslav government to take stronger measures against the Croats in Yugoslavia.

104. "La France et l'Europe du Sud-est," *Le Temps*, March 31, 1937; Pierre Brossolette, "Les Balkans et la France," *Europe Nouvelle*, April 10, 1937.

105. *New York Times*, May 20-24, 1937.

106. *Ibid.*, May 4-6, 1937; for Hungarian enthusiasm, cf. *Budapesti Kurir*, May 4, 1937.

107. *Le Temps*, May 11, 1937; *Wiener Wirtschafts Woche* (Vienna), June 2, 1937.

107a. Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, cited, p. 50.

108. *Ibid.*, pp. 34-35.

109. Cf. the so-called "Hodža plan"; Dean, "Origins of the Locarno Crisis," cited, p. 86; "Naše spolupráce se sousedy pokračuje" (Our cooperation with our neighbors continues), text of Beneš speech, *Lidové Noviny*, May 7, 1937.

ties of increased cooperation. The Austrian visits to Budapest in the spring of 1937 were preceded by a number of articles in the Vienna press suggesting that the three countries should draw closer together.<sup>111</sup> Soon after this, Premier Darányi of Hungary offered to explore the possibilities of cooperation with all his neighbors on the basis of equality of rights—chiefly the right to rearm—and a satisfactory settlement of the grievances of Hungarian minorities.<sup>112</sup> He significantly failed to mention revision of the peace treaties—a condition which has previously been *de rigueur* in all such Hungarian offers. The hope of agreement is rising, since German and Austrian rearmament and Turkey's remilitarization of the Straits through the Montreux conference<sup>113</sup> have furnished excellent precedent for a legal recognition of Hungary's military claims, and a more conciliatory attitude toward the minority problem is gradually becoming evident in all three Little Entente states.

Such an agreement must of necessity begin in the economic sphere. Austria obviously cannot afford to antagonize its great-power neighbors by entering an alliance directed against them, and its Foreign Minister, Guido Schmidt, made this clear in connection with his conversations in London and Paris at the time of King George VI's coronation.<sup>114</sup> The small states of Central Europe are finding, however, that they are not able to benefit from world economic recovery as fully through trade with countries where currency restrictions and autarchic policies hamper foreign commerce as through exchange with free-currency countries,<sup>115</sup> and they are therefore devising new trade policies looking toward an increase in overseas trade and new agreements with their neighbors. Czechoslovakia has broken a long-standing commercial deadlock by its recent treaties with Austria and Hungary,<sup>116</sup> and other bilateral negotiations are under way. It will be difficult, nevertheless, for these states to make any far-reaching economic

agreements until they can succeed in restricting tariff preferences to their own Central European area. At present, they are obliged to generalize any special preferences through the most-favored-nation clauses in their treaties with outside powers. Because of the world competition to which most of their products are subject, such generalization vitiates most of the benefits derived from these treaties. The United States, Britain and France have recently indicated that they might be willing to exempt Danubian preferences from the most-favored-nation clause in their treaties, and this has been received as a hopeful sign.<sup>117</sup> If other nations followed suit, a general Danubian agreement would become possible.

There are grounds for a certain amount of optimism in regard to Central Europe. This region, once the major war-breeder of Europe, is at last showing signs of becoming aware that it must solve its international problems largely by its own efforts. The very violence of the pressure to which it has been subjected in the last four years has effected what milder methods could not achieve in the preceding decade—a rapprochement between the *status quo* and the revisionist powers. But in the last analysis, the fate of Danubian Europe depends, as always, on the political and economic relations between the great powers. As long as the successive internal crises in France, the vacillation of British policy in regard to Germany and Spain, and the weaknesses revealed in Soviet politics by the treason trials of the past two years continue to lessen the influence of these three powers in Danubian Europe, the fascist drive may gain in strength. Correspondingly, the increasing weight of British rearmament and Franco-British collaboration in foreign policy may tend to weaken fascist pressure. The relations between Germany and Italy will also influence the intensity of their activities in Central Europe. At present, the need for cooperation in Spain and in relations with the Western powers automatically diminishes the extent of their conflicting interests along the Danube. Italy consequently is not resisting the renewed Nazi pressure on Austria, and Germany has not protested the Italo-Yugoslav rapprochement. Should the urgency of external collaboration disappear, however, the innate opposition between the aims of the two fascist powers might again lead to conflict in Southeastern Europe.

110. Cf. Gerhard Schacher, *Central Europe and the Western World* (New York, Henry Holt, 1937); Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, cited.

111. *Der Morgen*, March 8, 1937; "Die Zeit arbeitet für Mitteleuropa," *Neuigkeitsweltblatt*, March 16; *Reichspost*, *Neues Wiener Tagblatt*, March 19; cf. also "La visite de M. Benès à Belgrade," *Le Temps*, April 7, 1937.

112. *Budapesti Kurir* (text), April 18-19, May 14, 1937; *Le Temps*, April 19; *Central European Observer* (Prague), April 30, 1937; *New York Times*, May 16, 1937; also speech by Foreign Minister Kánya, *Budapesti Kurir*, May 29, 1937 (text).

113. Cf. Popper, "Strategy and Diplomacy in the Mediterranean," cited.

114. *New York Times*, May 13-16, 1937; cf. also Godfrey Lias, "Towards a New Alignment in Central Europe," *Great Britain and the East*, April 1, 1937.

115. *Der Oesterreichische Volkswirt*, March 27, 1937; *Central European Observer*, April 30, 1937, p. 146.

116. Krofta, *Czechoslovakia and the Little Entente in European Politics Today*, cited.

117. Cf. speech by George Messersmith, *New York Times*, May 19, 1937; statement by Hodža, *Le Temps*, May 23, 1937; *Journal des Nations*, May 23-24, 1937; *New York Herald Tribune*, May 20, 1937.